

**Blue Ribbon Task Force on the Issue of the Potential
Impact of Federal Block Grant Funding and Other
Federal Actions on Medicaid in North Carolina**

**Report to the
1997 General Assembly of North Carolina
1997 Regular Session**

[January 29, 1997]



NORTH CAROLINA GENERAL ASSEMBLY

**To the Honorable Marc Basnight, President Pro Tempore of the Senate;
and the Honorable Harold Brubaker, Speaker of the House of
Representatives; and the Members of the 1997 General Assembly.**

The Blue Ribbon Task Force on the Issue of the Potential Impact of Federal Block Grant Funding and Other Federal Actions on Medicaid in North Carolina submits for your consideration the following report on its study of the potential impact of federal block grant funding and other federal actions on Medicaid in North Carolina, pursuant to Section 23.5A of Chapter 507 of the 1995 Session Laws and as continued by Chapter 17, Section 12.1 and Chapter 28, Section 24.32 of the 1996 Second Extra Session, 1995 Session Laws.

At the end of the 1995 Session, it was anticipated that Congress would convert Medicaid to block grants to the states with unspecified reductions in projected funding and with federal requirements that the states' programs be significantly restructured. To date, none of the anticipated federal changes have yet to occur. Despite the absence of new federal legislation, the Task Force met four times to educate itself about the current Medicaid system and to learn about potential new ways to deliver services with anticipated lower funding in preparation for the possibility of grant funding later this year.

The Task Force met on December 5, 1995 to organize and to hear a history and current status of the Medicaid program. The members asked a number of questions of the Medicaid staff and the Task Force staff. These questions and answers are contained in the Task Force minutes.

The Task Force continued its exploration of the current Medicaid System on January 5, 1996. The staff prepared a very detailed briefing on the nuts and bolts of the Medicaid program. In discussions with federal

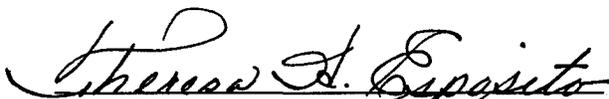


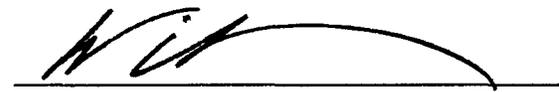
officials and the Medicaid staff, it began to appear that no significant changes in Medicaid would be passed by Congress before the 1997 General Assembly.

Since managed care has begun to play a larger role in the delivery of medical care, the Task Force devoted its last two meetings, held on February 29, 1996, and March 19, 1996 to explore how a managed care approach to Medicaid might be organized and what are the implications in areas such as access, quality and costs. The Task Force used a "round table" approach to elicit views from over fifty distinguished and knowledgeable persons representing a diversity of interests and experiences. This review was extensive and wide ranging and the record of these two meetings is available to any member wishing to learn more about this subject. No further meetings of the Commission were scheduled pending the enactment of Medicaid legislation in Congress.

The Task Force recommends that the North Carolina General Assembly continue to keep a watchful eye on Congress with respect to changes in Medicaid that may affect the state and be ready to respond for the best advantage to the citizens of this State.

Respectively submitted,


Representative Theresa Esposito


Senator William N. Martin

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